

stated that shippers under Rate Schedule FT-2 may request separate levels of TD (5,000 Mcf/d minimum) for specified delivery periods of not less than three consecutive months to correspond with the anticipated production profile of the Committed Leases. It is further stated that the maximum monthly reservation rate for transportation service under Rate Schedule FT-2 is \$7.35 per Dth and the maximum daily reservation rate for such service is 24.5 cents per Dth, inclusive of the transportation charge. To receive volumetric rate treatment, the shipper's throughput quantities (based on a rolling three-month average calculated with a one-month lag) must equal or exceed 70 percent of the shipper's average TD for the same three-month period. If a shipper's throughput does not reach the 70 percent threshold, the shipper is charged a reservation charge based on a total TD.

Destin states that it is encouraging maximum utilization of capacity by establishing discounted Rate Schedule FT-2 rates for a period through December 31, 2019, for FT-2 shippers with firm transportation service pursuant to Precedent Agreements executed in February 1997 or pursuant to commitments in Destin's Open Season to be held from March 17, 1997 to April 30, 1997. Destin states that at this juncture, Destin is not requesting authority herein to negotiate terms and conditions. Service terms and conditions under Rate Schedule FT-2 will be available to all shippers on the same generally applicable terms and conditions.

Destin states that for all rate schedules, Destin has eliminated the offshore/onshore rate design and provided for a single rate independent of receipt point or delivery point location. Destin states that it believes that a postage stamp rate is appropriate for this project because most of the gas supply is expected to be received at Main Pass Block 260 and all of the delivery points are located within a 115-mile segment. In addition, Destin states that it has eliminated the Negotiated Rate Provision in Section 25 of the proposed tariff. Destin further states that the addition of a flexible firm rate schedule has eliminated the need for the Banking Provision in Section 26 of the proposed tariff. Destin states that the Banking Provision was designed to provide scheduling flexibility to meet the needs of shippers coordinating development and production of deepwater prospects. Destin believes that the proposed flexible firm Rate Schedule FT-2 provides even greater

flexibility and eliminates any need for a banking mechanism.

Destin requests a Preliminary Determination on non-environmental issues by June 1, 1997, with a final approval on all issues by the end of November 1997, so that the proposed facilities can be placed in service by July 1, 1998.

Any person desiring to be heard or to make any protest with reference to said amendment should on or before April 9, 1997, file with the Federal Energy Regulatory Commission, Washington, DC 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214 or 385.211) and the Regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's Rules. All persons who have heretofore filed need not file again.

**Linwood A. Watson, Jr.,**

*Acting Secretary.*

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#### [Docket No. CP97-283-000]

#### **Eastern Shore Natural Gas Company; Notice of Application**

March 19, 1997.

Take notice that on March 11, 1997, Eastern Shore Natural Gas Company (Eastern Shore), Box 615, Dover, Delaware 19903-0615, filed an application pursuant to Sections 7(b) and 7(c) of the Natural Gas Act (NGA) for a certificate of public convenience and necessity authorizing Eastern Shore to (1) construct and operate 0.4 miles of 16-inch diameter pipeline; and (2) abandon in place 0.4 miles of existing 10-inch diameter pipeline, all as more fully set forth in the application, which is on file with the Commission and open to public inspection.

Eastern Shore says that the proposed pipeline segment, to be located in New Castle County, Delaware, would replace existing pipeline that must be relocated due to Delaware State Department of Transportation (DelDOT) highway construction. Construction of the proposed facilities is planned to be undertaken between Fall 1997 and Spring 1998.

Eastern Shore estimates that the incremental additional cost of upsizing the pipeline segment proposed in its application will be \$53,620 and estimates the total project cost to be \$329,856. Eastern Shore states that it will finance the cost of the project initially from internally generated funds and short term notes and that permanent financing will be arranged after construction has been completed. Eastern Shore requests that the total cost of these facilities be rolled-in to its total system costs for rate purposes.

Any person desiring to be heard or to make any protest with reference to said application should on or before April 9, 1997, file with the Federal Energy Regulatory Commission, Washington, D.C. 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214 or 385.211) and the Regulations under the NGA (18 CFR 157.100). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken, but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's Rules.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Energy Regulatory Commission by Section 7 and Section 15 of the NGA and the Commission's Rules of Practice and Procedure, a hearing will be held without further notice before the Commission or its designee of this application if no motion to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a motion to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Eastern Shore to appear or be represented at the hearing.

**Linwood A. Watson, Jr.**

*Acting Secretary.*

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